

Memorandum

Date: November 26, 2002

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To: Robert Pernell, Commissioner and Committee Presiding Member
Arthur H. Rosenfeld, Commissioner and Committee Associate Member

From: **California Energy Commission** - Kristy Chew
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Subject: **SMUD COSUMNES POWER PLANT PROJECT (01-AFC-19) - STATUS REPORT 4**

Energy Commission staff has prepared this status report to update the Committee on the project schedule and progress made in the Application for Certification (AFC) process for the Sacramento Municipal Utility District (SMUD) Cosumnes Power Plant (CPP) project.

UPDATE ON SIGNIFICANT ISSUES

Project Description

On November 1, 2002, the applicant filed AFC Supplement D which contains a description and analysis of a proposed modification to an approximate 1-mile portion of the originally proposed natural gas pipeline alignment. It also contains a proposal to revise the layout of the construction laydown area and modifies the project to re-include a stormwater detention basin. (A stormwater detention basin was proposed in the original AFC, but was subsequently removed from the project in AFC Supplement C.)

Air Quality

On October 21, 2002 and October 29, 2002, the Sacramento Metropolitan Air Quality Management District (SMAQMD) issued the Final Determination of Compliance (FDOC) and errata for the project, respectively. In the FDOC, the District recommended that with conditions, a Determination of Compliance for Phase I of the Cosumnes Power Plant project be granted to SMUD.

As stated in staff's Preliminary Staff Assessment (PSA), staff has identified a potential significant air quality impact unless the applicant provides additional mitigation. Staff has held discussions with the California Air Resources Board and SMAQMD pertaining to mitigation measures. Staff is currently re-evaluating the proposed mitigation requirements contained in the PSA.

Biological Resources

Staff is assessing the biological impacts of the project modifications proposed in AFC Supplement D. The proposed pipeline alignment modification, described in Supplement D, would avoid the Laguna Stone Lake Wetland Preserve (Preserve), as described in staff's Preliminary Staff Assessment. The Preserve

is habitat for a number of federal- and state-listed endangered and/or threatened plant and animal species. Avoidance of the Preserve would eliminate habitat impacts for those species within the Preserve.

The proposed revised layout of the construction laydown area would reduce some of the project's direct impacts to sensitive habitat. However, staff needs additional information on how the modified laydown area and drainage may indirectly impact sensitive habitat (e.g., alter the hydrology of wetland habitat). The applicant has stated they will provide the information within the next few weeks.

Staff understands that the applicant is revising their Biological Resources Assessment (BRA) and intends to file it shortly with the U.S. Army Corps of Engineers (USCOE), the U.S. Fish and Wildlife Service (USFWS), and the National Marine Fisheries Service (NMFS). USFWS and NMFS must then determine whether the BRA is complete and adequate to begin consultation on Section 404 of the Clean Water Act (404 Permit) with USCOE.

Cultural Resources

The applicant conducted presence/absence testing along portions of the proposed natural gas pipeline alignment starting in June and continuing through October 2002. The applicant has stated that they have had difficulty obtaining landowner permission to enter certain properties in order to perform presence/absence testing. Testing on properties without landowner permission has been postponed until sometime after licensing and prior to construction, should the license be granted. SMUD recently provided the testing results for the portions where testing has been completed. Staff is reviewing the results.

Noise and Vibration

In the applicant's Status Report #4, filed November 15, 2002, SMUD stated they are still working with the adjacent landowner to relocate the residence in order to eliminate the identified noise impact. Staff is waiting for resolution of their negotiations so that staff may adequately assess the environmental impacts and present the analysis in the Final Staff Assessment (FSA).

Water & Soil Resources

As stated above, AFC Supplement D presents modifications to the project's stormwater control system. The shape and stormwater drainage of the proposed, approximately 20-acre construction laydown area have been modified. SMUD proposes to include a stormwater detention basin at the northwest corner of the project site to regulate 10-year stormwater flows as originally proposed in the AFC. Staff is reviewing the revised stormwater and hydrological data provided in AFC Supplement D.

Additionally, the applicant recently informed staff that the stormwater drainage system for the construction laydown area will be further modified. SMUD has informed staff that revised drainage plans and an explanation for the changes will be provided soon. Changes to area drainages may alter existing tributaries to Clay Creek. Because the stormwater drainage modifications may impact sensitive wetland habitats, both Water & Soils Resources staff and Biological Resources staff will assess the impacts of the modified stormwater modifications once the information is provided. However, it should be noted that in order to properly assess the impacts, the applicant must provide information of sufficient detail and analysis for staff to draw supportable conclusions about the impacts of the project. Staff must review and assess the impacts of the revised drainage plans prior to completion of the FSA.

PUBLIC COMMENTS

Staff has received nine letters with comments on the PSA (four from state and local agencies, four from area residents, and one from an intervenor). Staff will consider the comments made regarding the PSA and address them as appropriate in the FSA. In addition, staff received two letters regarding SMUD's proposed modified pipeline alignment from area residents. Staff has replied to these comments and has docketed these communications.

SCHEDULE

As stated in the Committee's June 5, 2002 Schedule, prior to completing the FSA, staff requires the accepted Biological Assessment from USFWS and NMFS and information identified during the PSA workshops prior to completing the FSA. Furthermore, for the reasons stated above, staff needs sufficient information regarding the proposed changes to the project's stormwater systems prior to completing the FSA.

Per the Committee's Schedule, staff intends to file the FSA within three weeks from receipt of these items. However, foreseeing a potential conflict with the upcoming winter holidays, depending on when the above-mentioned items are filed, staff may require a few additional days to complete and file the FSA.

cc: POS